

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SOUTH KENTUCKY)
RURAL ELECTRIC COOPERATIVE)
CORPORATION FOR A CERTIFICATE)
OF CONVENIENCE AND NECESSITY)
TO CONSTRUCT ADDITIONAL LINES)
AND FACILITIES)

CASE NO.
98-121

O R D E R

South Kentucky Rural Electric Cooperative ("South Kentucky") filed its application on March 9, 1998, for a Certificate of Public Convenience and Necessity to construct certain improvements and additions to its existing plant. In support of its application South Kentucky filed its 1998-2000 Work Plan which describes in detail the improvements and additions to its plant that are required over the next 3 years to serve its load.

South Kentucky seeks authorization to construct extensions and additions to its plant as follows:

1. New Construction	\$ 13,499,500
2. Tie Lines	135,000
3. Line Conversion	2,085,200
4. Conductor Replacement	1,720,200
5. Security Lights	924,000
6. Sectionalizing	240,000
7. Regulators	151,500
8. Poles (Ordinary Replacement)	600,000
9. Poles Replaced for Clearance	<u>945,000</u>
TOTAL	\$20,300,400

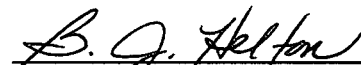
The proposed construction will enable South Kentucky to continue to provide adequate and dependable electric service to its customers. The system improvements recommended in this Work Plan will not duplicate existing facilities and are needed to correct voltage problems, improve phase balance, and provide for improved service reliability. South Kentucky stated that it will construct the proposed facilities from general funds until such time as new loan funds are needed.

Based on the application and supporting 1998-2000 Work Plan, and being advised, the Commission finds that the proposed improvements and additions to be constructed by South Kentucky are necessary to provide adequate, reliable electric service to existing customers and anticipated new customers.

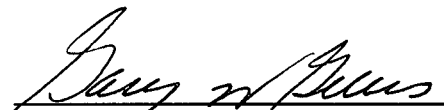
IT IS THEREFORE ORDERED that South Kentucky is granted a Certificate of Public Convenience and Necessity to construct the facilities described in its 1998-2000 Work Plan.

Done at Frankfort, Kentucky, this 24th day of August, 1998.

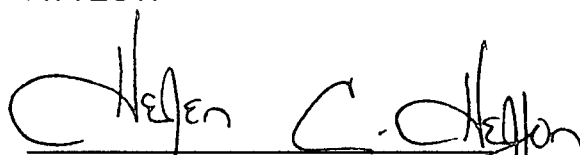
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director